

WISCONSIN RENTAL WEATHERIZATION PROGRAM

Starting January 1, 1985, most residential properties in Wisconsin have had to meet minimum energy conservation standards at the time of ownership transfer. Private state-certified inspectors are hired by owners to check properties for compliance with the standards. The Register of Deeds in your county will not record the transfer of a property unless:

- An inspector has certified the property; or
- The buyer has filed a Stipulation to bring it up to Code within a year; or
- The property or transfer is shown on the Real Estate Transfer Return to be excluded from the Code; or
- The buyer has filed a Waiver with the Department of Commerce stating that the building will be demolished within two years.

The standards are the result of State legislation (s.101.122, Wis. Stats.) directing the Department of Commerce to develop energy conservation standards for rental units that have a payback of five years or less.

The benefits of these weatherization standards for residential rental properties include:

- Overall demand for heating fuels is reduced, thereby helping to stabilize fuel costs for everyone.
- Wisconsin’s dependence on imported heating fuels is decreased. (Wisconsin imports over 95% of its energy.)
- The utilization of Wisconsin’s weatherization workforce and products is increased.
- The burden of energy-inefficient rental units is shifted from tenants, who are necessarily limited in any corrective action, to landlords by requiring them to upgrade their buildings at the time of property transfer.
- The cost of upgrading the building to the carefully chosen standards is recovered within five years in lowered heating costs. Thereafter, the savings continue and the building is more valuable.
- The following is a summary of the standards contained in Chapter Comm 67 of the Wisconsin Administrative Code. For specific details, consult the Code itself. (See ordering information at the end of this brochure.)

WHEN OWNERS MUST COMPLY

The code only applies to residential property when its ownership is being transferred and when its use after the sale will be rental. “Transfer” means a transfer of ownership by deed, land contract or judgement. In the case of a land contract, transfer occurs when the contract is entered into, not when the deed is transferred.

Ownership conveyance also includes transfer of a controlling stock or controlling partnership interest or an interest in a lease in excess of one year, which was contracted after January 1, 1985.

The Code applies to rehabilitations even though buildings may be vacant during the period of renovation. It also applies to buildings purchased for resale. If buildings are not resold within one year, they must meet the standards of the Code.

WHAT PROPERTIES ARE NOT COVERED

The code excludes transfers that are:

- For security purposes;
- Between agent and principal or trustee and beneficiary without consideration;
- Part of divorce settlements;
- For no or nominal consideration between husband and wife or parent and children;
- Part of the probate process;
- Involuntary, including foreclosures, bankruptcies, condemnations, court-ordered property transfers or delinquent taxes and assessments; but not any subsequent transfer to a party without a previous interest;
- Conversion to condominium.

The code excludes buildings that are:

- To be occupied by the purchaser as a primary residence for at least one year beginning within 60 days of transfer. (Applies only to buildings with 4 or fewer dwelling units.);
- 1& 2-family residences constructed after December 1,1978;
- Buildings with 3 or more living units constructed after April 15, 1976;
- Condo buildings with 3 or more dwelling units;
- Rental unit(s) which will not be rented between November 1 and March 31 of each year (including summer/vacation homes and second homes);
- Mobile/manufactured homes;
- Hotels, motels and tourist rooming houses which are licensed by the Wisconsin Department of Health and Family Services;

- Hospitals or nursing homes which are licensed by the Wis. Dept. of Health and Family Services.

Excluded properties or transfers must be so indicated on the Real Estate Transfer Return. Without this indication, the Register of Deeds will not record the property transfer documents.

Keep in mind that the Code applies to the **future use** of the property. Single family homes and individual condominium units (in one- or two-unit buildings) that are used as rental properties are also subject to the Code.

A more detailed list of excluded transfers can be found in section Comm 67.04(32) and on the back of the Real Estate Transfer Return form.

HOW MIXED USE BUILDINGS ARE TREATED

The Code applies to mixed-use properties, such as apartments above retail space, based on the percentage of the total floor area occupied by the residential units. If it is 50% or less residential, then just the residential units must comply with the Code. If it is more than 50% residential, then the entire building must conform to the Code. (Storefront windows and doors are exempted from this requirement.)

THE WEATHERIZATION STANDARDS

The following weatherization standards are code requirements:

- WINDOWS must be double-glazed or equipped with storm windows. Exempted are windows in doors and furnace rooms. Windows located in basements, which are not habitable rooms may be permanently sealed and insulated to R-5 in lieu of double-glazing or installing storm windows.
- PATIO DOORS AND INWARD-SWINGING EXTERIOR DOORS must be insulated and double-glazed; or be equipped with a storm door, unless they are provided with a vestibule. Storm doors must have self-closing devices.
- WEATHERSTRIPPING must be installed on exterior doors and windows where operable parts meet.
- CAULKING must be applied to exterior joints, including around doors and windows for the first three stories of the building, as well as around the sill plate and utility penetrations.

The Department will accept blower door testing of the building, per Comm 67.05(4), in lieu of the prescriptive infiltration measures.

- MOISTURE CONTROL – Ventilation must be installed in attics and crawl spaces at a rate of 1 sq. ft. of free area of ventilation per 300 sq. ft. of floor area. A vapor barrier must cover the ground in crawl spaces.
- INSULATION must be installed in "accessible" areas to the levels shown in Tables 67.05-A through C of the Code (see the following condensed table). "Accessible" means the space can be reached without removal or alteration of any **finish** materials of the permanent structure. For example, enclosed wall cavities are considered inaccessible and do not require insulation. However, an unfinished attic with floorboards must be insulated under the boards, if not insulated on top.

Building Element	Amount of Insulation	
Attics:		
If currently R-0 to R-10.9	then bring to	R-38
“ “ R-11 to R-18.9	then add	R-19
“ “ R-19 or more,	then	OK
Box sills:		
If currently R-0 to R-2.5	then bring to	R-19
“ “ R-2.6 to R-10.9	then add	R-11
” “ R-11 or more,	then	OK
Heating supply ducts located in vented spaces		R-5
Steam heating pipes in vented space		R-4
Hydronic heating pipes in vented space		R-2
Water heater piping in vented spaces		R-2
– For first 5 feet on both lines from noncirculating heaters		
– Total length of both lines from circulating heaters		
• Access openings to attics or other vented spaces:		
Horizontal openings		R-19
Vertical openings		R-5

Average “R” Values For One Inch Of Insulation

Blown fiberglass or mineral wool	R-2.9
Blankets or batts (fiberglass or mineral wool)	R-3.1
Cellulose (paper pulp)	R-3.4
Molded polystyrene (“beadboard”)	R-3.6
Extruded polystyrene (smooth-skinned)	R-5.0

Vermiculite	R-2.3
Polyisocyanurate	R-7.2

EXEMPTIONS TO A STANDARD

If an owner can show that a specific weatherization measure for a building will take more than 5 years to achieve payback, Commerce may issue an exemption from that measure. When filing for an Exemption, the cost of compliance with such a requirement must be documented and reasonable. An application form with a step-by-step payback calculation is available from Commerce. After issuance, the Exemption number is transcribed onto the Certificate of Compliance by the inspector.

WHAT IS REQUIRED BY THE REGISTER OF DEEDS

Unless a property transfer is shown to be excluded from the Code on the Real Estate Transfer Return, a Commerce Transfer Authorization must accompany the documents of transfer for rental property when presented to the Register of Deeds for recording. There are three types of Transfer Authorizations.

- **Certificate of Compliance:** If a property meets the weatherization standards of the Code, then it may receive a Certificate of Compliance. The certificate is valid for the life of the building. A Certificate can only be issued by an inspector certified by the Department of Commerce. Inspectors are paid by building owners at an agreed fee, subject to a State-set maximum.
- **Stipulation:** The purchaser of a rental property can accept the responsibility for bringing the building into compliance by signing a Stipulation which requires that a Certificate of Compliance be obtained within 1 year after transfer. The Stipulation form is obtained from Commerce or a Commerce agent. The completed stipulation must be presented with a fee to Commerce or a Commerce agent for validation prior to recording by the Register of Deeds.
- **Waiver:** If demolition of a structure is planned within two years of transfer, an owner can apply for a Waiver, which will allow transfer of the property without meeting the weatherization standards. The Waiver form can be obtained from Commerce or a Commerce agent. The completed Waiver must be presented with a fee to Commerce or a Commerce agent for validation prior to recording by the Register of Deeds.

A list of Commerce agents is available from Commerce (address at end of brochure).

HOW TO SATISFY A STIPULATION

1. Hire a State-certified Rental Weatherization Inspector to inspect the property and determine what requirements are needed to meet the State Code. Inspectors are listed under "Building Inspection" in the yellow pages of telephone books. If you cannot locate an inspector, write or call the Safety & Buildings Division for a list.

Actual fees are negotiated and are based on the private inspectors' cost and market competition. However, the maximum fee for inspection and certification is set by code. This fee includes an initial inspection, the Field Inspection Report, a final inspection for compliance, and the issuing of the certificate. The **maximums** are:
 - a. 1 or 2 rental units \$200.00
 - b. 3 to 8 rental units\$200.00
plus \$50.00 for each additional unit over 2
 - c. Over 8 rental units \$500.00
Plus \$25.00 for each additional unit after 8
2. The inspector will leave a copy of a Field Inspection Report with you and will discuss the requirements with you.
3. Either hire a contractor, or perform the work yourself, to bring the building into code compliance.
4. After completion of the work, you contact the inspector and request a final inspection. The inspector will reinspect the property, then issue a Certificate of Compliance if all requirements are satisfied. The owner will receive the original Certificate, which should be recorded at the County Register of Deeds. The inspector will send a copy of the Certificate to the Dept. of Commerce, which then satisfies the stipulation.
5. Work must be completed and the Certificate issued within 1 year of the date of the Stipulation.

PENALTIES

Maximum penalty for code evasion, non-compliance, or for falsifying a certificate under 101.122(7) Wis. Stats. is \$500 forfeiture per unit.

FEE SCHEDULE

Exemption processing	\$25
Stipulation processing	\$50

Waiver processing\$50
Some local Commerce agents may have additional Waiver and Stipulation processing fees.

FOR FURTHER INFORMATION CONTACT . . .

Wisconsin Department of Commerce
Safety and Buildings Division
P.O. Box 7302, Madison, WI 53707-7302
Telephone: 608-267-2240
Office hours: 7:45 a.m. to 4:30 p.m., Monday-Friday

A Code Commentary is available for sale from Commerce at the above address.

The Rental Unit Energy Efficiency Code, Chap. Comm 67, is available on-line from our website, <http://www.commerce.state.wi.us/SB/SB-DivCodesListing2001.html> or from:

Document Sales
<http://ids.doa.state.wi.us/ppms/DocSales.html>
P.O. Box 7840, 202 S. Thornton Ave.
Madison, WI 53707-7840
Please call 608-266-3358 or 1-800-DOC-SALE for current cost and order information.

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All Rental Weatherization forms, a list of unsatisfied stipulations and waivers, a list of credentialed inspectors, Comm 67, Comm 2, Comm 5 and other reference materials are available for viewing and/or downloading from our web page:

<http://www.commerce.state.wi.us/SB/SB-RentalWeatherizationProgram.html>

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IMPORTANT INFORMATION for BUYERS and SELLERS of RESIDENTIAL RENTAL PROPERTIES

Conservation Through Weatherization



Safety and Buildings Division
Rental Weatherization Program
P.O. Box 7302
Madison, WI 53707-7302